



**KITCHEN CULTURE HOLDINGS LTD.**

(Company Registration No: 201107179D)  
(Incorporated in the Republic of Singapore on 25 March 2011)  
(the “Company”, and together with its subsidiaries, the “Group”)

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**HALF YEAR UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE (“HY”) 2012**

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor (“Sponsor”), Canaccord Genuity Singapore Pte. Ltd. (formerly known as Collins Stewart Pte. Limited) for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”). Canaccord Genuity Singapore Pte. Ltd. has not independently verified the contents of this announcement.*

*This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.*

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1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income statement for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	<b>Group</b>		
	<b>Unaudited HY2012</b>	<b>Unaudited HY2011</b>	<b>% Change Increase/(Decrease)</b>
	<b>\$</b>	<b>\$</b>	
<b>Revenue</b>	11,279,345	9,683,970	16.5
Cost of sales	(5,793,997)	(4,627,711)	25.2
Gross profit	5,485,348	5,056,259	8.5
Other income	84,645	119,690	(29.3)
Selling and distribution expenses	(3,567,722)	(2,788,909)	27.9
General and administrative expenses	(1,411,320)	(1,200,737)	17.5
Finance costs	(133,775)	(139,984)	(4.4)
Other expenses	(46,085)	(71,334)	(35.4)
<b>Profit before tax</b>	411,091	974,985	(57.8)
Tax expense	(92,000)	(89,510)	2.8
<b>Net profit for the period</b>	319,091	885,475	(64.0)
<b>Other comprehensive income</b>			
Currency translation differences arising from consolidation	1,804	2,851	(36.7)
<b>Total comprehensive income for the period</b>	320,895	888,326	(63.9)

1a(ii) Notes to the Consolidated Statement of Comprehensive Income

	<b>Group</b>		
	<b>Unaudited HY2012</b>	<b>Unaudited HY2011</b>	<b>% Change Increase/(Decrease)</b>
	<b>\$</b>	<b>\$</b>	
Allowance for doubtful receivables	73,986	-	N.M.
Write-back of allowance for doubtful receivables recovered	(93,091)	(54,489)	70.8
Bad debts written off	545	-	N.M.
Depreciation	152,269	169,799	(10.3)
Gain on disposal of investment property	-	(34,023)	N.M.
(Gain)/loss on disposal of property, plant and equipment	(65,500)	635	N.M.
Interest expense	133,775	139,984	(4.4)
Interest income	5,033	82	N.M.
Inventories:			
- Write-down	29,814	41,534	(28.2)
- Reversal of write-down	(44,617)	-	N.M.
Loss on foreign exchange difference	31,197	8,735	257.1
Over provision of tax expense in respect of prior years	-	(90,490)	N.M.

N.M. = Not Meaningful

1(b)(i) A statement of financial position (for the Issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

	<b>Group</b>		<b>Company</b>	
	<b>Unaudited 30.6.2012</b>	<b>Audited 31.12.2011</b>	<b>Unaudited 30.6.2012</b>	<b>Audited 31.12.2011</b>
	\$	\$	\$	\$
<b>Non-current assets</b>				
Property, plant and equipment	907,765	689,699	-	-
Investment in subsidiaries	-	-	1,500,006	1,500,005
Long-term prepayment	388,080	319,480	-	-
	<u>1,295,845</u>	<u>1,009,179</u>	<u>1,500,006</u>	<u>1,500,005</u>
<b>Current assets</b>				
Inventories	10,223,594	9,990,197	-	-
Project work-in-progress	412,928	929,729	-	-
Trade and other receivables	8,738,775	8,563,199	2,478,323	1,609,139
Cash and bank balances	5,248,461	6,400,619	2,371,107	3,757,531
	<u>24,623,758</u>	<u>25,883,744</u>	<u>4,849,430</u>	<u>5,366,670</u>
<b>Total assets</b>	<u>25,919,603</u>	<u>26,892,923</u>	<u>6,349,436</u>	<u>6,866,675</u>
<b>Non-current liabilities</b>				
Bank borrowings	427,740	1,069,355	-	-
Finance lease liabilities	196,515	226,483	-	-
Deferred tax liabilities	43,156	43,336	-	-
	<u>667,411</u>	<u>1,339,174</u>	<u>-</u>	<u>-</u>
<b>Current liabilities</b>				
Project work-in-progress	845,967	514,408	-	-
Bank borrowings	3,283,228	1,283,226	-	-
Trade and other payables	5,220,179	5,725,085	155,981	238,300
Bills payable to banks	1,862,197	3,362,801	-	-
Finance lease liabilities	61,169	87,253	-	-
Amounts due to Directors	510,000	1,020,000	-	-
Tax payable	287,996	440,415	-	-
	<u>12,070,736</u>	<u>12,433,188</u>	<u>155,981</u>	<u>238,300</u>
<b>Total liabilities</b>	<u>12,738,147</u>	<u>13,772,362</u>	<u>155,981</u>	<u>238,300</u>
<b>Net assets</b>	<u>13,181,456</u>	<u>13,120,561</u>	<u>6,193,455</u>	<u>6,628,375</u>
<b>Share capital and reserves</b>				
Share capital	6,231,259	6,231,259	6,231,259	6,231,259
Accumulated profits/(losses)	6,928,678	6,869,587	(37,804)	397,116
Currency translation reserve	21,519	19,715	-	-
<b>Total equity</b>	<u>13,181,456</u>	<u>13,120,561</u>	<u>6,193,455</u>	<u>6,628,375</u>

1(b)(ii) In relation to the aggregate amount of the Group's borrowings and debt securities, specify the following at the end of the financial period reported on with comparative figures as at the end of the immediately preceding financial year:

**Amount repayable in one year or less, or on demand**

Unaudited As at 30 June 2012		Audited As at 31 December 2011	
\$	\$	\$	\$
Secured	Unsecured	Secured	Unsecured
5,206,594	-	4,733,280	-

**Amount repayable after one year**

Unaudited As at 30 June 2012		Audited As at 31 December 2011	
\$	\$	\$	\$
Secured	Unsecured	Secured	Unsecured
624,255	-	1,295,838	-

Details of collateral are as follows:

**Term loans**

The term loans are secured by corporate guarantees from the Company.

**Revolving short-term loan**

Revolving short-term loan is secured by corporate guarantee from the Company.

**Bills payable to banks**

The bills payable to banks are secured by corporate guarantees from the Company.

**Finance lease liabilities**

The finance lease liabilities are secured on the property, plant and equipment purchased under the finance leases. As at 30 June 2012, the finance lease liabilities amounting to \$193,450 (31.12.2011: \$211,308) was guaranteed by the Company's Director, namely Lim Wee Li.

**Note:**

The above borrowings do not include advances from the Company's Directors, Lim Wee Li and Lim Han Li, to fund the Group's working capital needs of \$510,000 as at 30 June 2012 (31.12.2011:\$1,020,000). These advances are unsecured and non-interest bearing. Such amounts will be settled by six instalments, payable quarterly in arrears from September 2011.

1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	<b>Unaudited HY2012</b>	<b>Group Unaudited HY2011</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Profit before tax	411,091	974,985
Adjustments for:		
Depreciation of property, plant and equipment	152,269	169,799
(Gain)/loss on disposal of property, plant and equipment	(65,500)	635
Gain on disposal of investment property	-	(34,023)
Interest income	(5,033)	(82)
Interest expense	133,775	139,984
Operating profit before working capital changes	626,602	1,251,298
Inventories	(258,138)	(1,101,978)
Project work-in-progress	848,360	550,111
Receivables	(251,201)	(9,715)
Payables	(1,962,279)	74,875
Translation differences	5,667	(3,737)
Cash (used in) /generated from operations	(990,989)	760,854
Interest paid	(133,775)	(139,984)
Interest received	5,033	82
Tax paid	(242,535)	(631,396)
<b>Net cash used in operating activities</b>	<b>(1,362,266)</b>	<b>(10,444)</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(372,586)	(49,717)
Proceeds from disposal of property, plant and equipment	65,500	105
Payment for investment property	-	(1,266,673)
Proceeds from disposal of investment property	-	1,617,364
<b>Net cash (used in)/from investing activities</b>	<b>(307,086)</b>	<b>301,079</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares	-	10
Repayment of amounts due to Directors	(510,000)	(740,000)
Dividend paid to shareholders	(260,000)	-
Drawdown of short-term revolving loan	2,000,000	-
Repayment of bank borrowings	(641,613)	(609,066)
Repayment of finance leases	(55,666)	(52,362)
<b>Net cash from/(used in) financing activities</b>	<b>532,721</b>	<b>(1,401,418)</b>

## Consolidated Statement of Cash Flows (cont'd)

	<b>Group</b>	
	<b>Unaudited HY2012</b>	<b>Unaudited HY2011</b>
	\$	\$
<b>Net decrease in cash and cash equivalents</b>	(1,136,631)	(1,110,783)
Cash and cash equivalents at the beginning of the financial period	6,400,619	5,034,705
Effect of exchange rate changes on cash and bank equivalents	(15,527)	9,077
<b>Cash and cash equivalents at the end of the financial period</b>	<hr/> 5,248,461	<hr/> 3,932,999

Cash and cash equivalents comprise cash and bank balances.

1(d)(i) A statement (for the Issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share capital	Accumulated profits	Currency translation reserve	Total equity
	\$	\$	\$	\$
<b>As at 1 January 2012</b>	6,231,259	6,869,587	19,715	13,120,561
Profit for the period	-	319,091	-	319,091
<i>Other comprehensive income for the period, net of tax</i>				
- Currency translation differences arising from consolidation	-	-	1,804	1,804
Total comprehensive income for the period	-	319,091	1,804	320,895
Dividend	-	(260,000)	-	(260,000)
<b>As at 30 June 2012</b>	<b>6,231,259</b>	<b>6,928,678</b>	<b>21,519</b>	<b>13,181,456</b>
<b>As at 1 January 2011</b>	1,500,003	5,615,227	17,772	7,133,002
Issuance of shares	10	-	-	10
Profit for the period		885,475	-	885,475
<i>Other comprehensive income for the period, net of tax</i>				
- Currency translation differences arising from consolidation	-	-	2,851	2,851
Total comprehensive income for the period	-	885,475	2,851	888,326
<b>As at 30 June 2011</b>	<b>1,500,013</b>	<b>6,500,702</b>	<b>20,623</b>	<b>8,021,338</b>



1(d)(i)

### Statements of Changes in Equity

<b>Company</b>	<b>Share capital \$</b>	<b>Accumulated (losses)/profits \$</b>	<b>Total equity \$</b>
<b>As at 1 January 2012</b>	6,231,259	397,116	6,628,375
Net loss and total comprehensive loss for the period	-	(174,920)	(174,920)
Dividend	-	(260,000)	(260,000)
<b>As at 30 June 2012</b>	<u>6,231,259</u>	<u>(37,804)</u>	<u>6,193,455</u>
<b>As at 1 January 2011</b>	-	-	-
Issuance of shares at date of incorporation	2	-	2
Issuance of shares during the period	8	-	8
Issuance of shares for acquisition of subsidiaries	1,500,003	-	1,500,003
Net loss and total comprehensive loss for the period	-	(56,000)	(56,000)
<b>As at 30 June 2011</b>	<u>1,500,013</u>	<u>(56,000)</u>	<u>1,444,013</u>

1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	As at 30 June 2012		As at 30 June 2011	
	No. of shares	\$	No. of shares	\$
<b>Issued and paid-up shares</b>				
Issue of shares at incorporation	-	-	2	2
Issue of shares on 6 June 2011	-	-	8	8
Issue of shares pursuant to the Restructuring Exercise	-	-	1,500,003	1,500,003
Post-Placement issued and paid-up share capital	100,000,000 <sup>(1)</sup>	6,231,259	-	-
	100,000,000	6,231,259	1,500,013	1,500,013

<sup>(1)</sup> This was derived at after the sub-division of shares from 1,500,003 shares to 83,000,000 shares which took place on 1 July 2011 and the issue of 17,000,000 new shares pursuant to the Placement which took place on 21 July 2011.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 30 June 2012	As at 31 December 2011
Total number of shares excluding treasury shares	100,000,000	100,000,000

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in Note 5 below, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period compared to the most recently audited financial statements for the financial year ended 31 December 2011 ("FY2011").

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all the new and revised Singapore Financial Reporting Standards ("FRSs") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2012, where applicable. The adoption of these standards from the effective date is not expected to result in material adjustments to the financial position, results of operations or cash flows of the Group for FY2012.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:

	<b>Group</b>	
	<b>HY2012</b>	<b>HY2011</b>
Basic and fully diluted (cents)	0.3	1.1

Basic and fully diluted earnings per share for HY2012 are calculated by dividing the Group's profit attributable to equity holders of the Company by the aggregate number of ordinary shares of 100,000,000.

Basic and fully diluted earnings per share for HY2011 are calculated by dividing the Group's profit attributable to equity holders of the Company by the pre-placement ordinary shares of 83,000,000<sup>(1)</sup>.

<sup>(1)</sup> The sub-division of shares pursuant to the Restructuring Exercise is assumed to have taken place as at 30 June 2011.

The Group's consolidated financial statements for HY2011 has been prepared using the "pooling of interest" method.

7. Net asset value (for the Issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.

	<b>Group</b>		<b>Company</b>	
	<b>30.6.2012</b>	<b>31.12.2011</b>	<b>30.6.2012</b>	<b>31.12.2011</b>
Net asset value per ordinary share (cents)	13.2	13.1	6.2	6.6

Net asset value per ordinary share for HY2012 and FY2011 is calculated based on the aggregate number of ordinary shares of 100,000,000.

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:
- (a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
  - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

### **Review of Consolidated Statement of Comprehensive Income**

#### ***Revenue***

For HY2012, the Group reported revenue of \$11.3 million, an increase of 16.5% or \$1.6 million as compared to \$9.7 million for the corresponding period last year ("HY2011"). The increase was due to a higher revenue contribution from the Residential Projects segment by 47.9% or \$2.5 million, and partly offset by a decrease in revenue contribution from the Distribution and Retail segment by 19.5% or \$0.9 million.

#### **Residential Projects**

The Residential Projects segment accounted for 67.8% or \$7.7 million of the Group's revenue in HY2012. Of which, \$4.4 million was attributable to revenue recognised from 11 new projects, including "Trilight" and "Silversea" while \$3.3 million was derived from 13 ongoing projects from the previous financial year.

Revenue for HY2011 of \$5.2 million was from 19 projects, including projects such as "The Greenwood" and "The Ritz-Carlton Residences, Singapore, Cairnhill".

#### **Distribution and Retail**

The Distribution and Retail segment accounted for 32.2% or \$3.6 million of the Group's revenue in HY2012. The decrease in Distribution and Retail revenue by 19.5% or \$0.9 million was due to a decline of \$0.2 million in the Singapore operation as a result of a slow-down in the retail business and a decrease in Malaysia operation by \$0.7 million as a result of delays in product delivery at the customers' request.

#### ***Gross Profit***

In line with the higher revenue for HY2012, gross profit increased by 8.5% or \$0.4 million, from \$5.1 million in HY2011 to \$5.5 million in HY2012. Overall gross profit margin has, however, declined slightly by a 3.6 percentage point from 52.2% in HY2011 to 48.6% in HY2012. This was due mainly to lower gross margins derived from certain residential projects as a result of competitive pricing.

#### ***Other Income***

Other income decreased by 29.3% or approximately \$35,000, from approximately \$120,000 in HY2011 to \$85,000 in HY2012. In HY2011, there were write-back of unclaimed creditors and gain on disposal of investment property which accounted for \$68,000 and \$34,000, respectively. In HY2012, there was a gain on disposal of a motor vehicle which amounted to \$66,000.

#### ***Selling and Distribution Expenses***

Selling and distribution expenses increased by 27.9% or \$0.8 million, from \$2.8 million recorded in HY2011 to \$3.6 million in HY2012. This was due mainly to:

- a. An increase in staff related costs for the sales, marketing and operations staff by \$0.2 million;
- b. An increase in rental by \$0.5 million as the Group leased (i) a corporate showroom, an additional retail showroom and an additional warehouse in Singapore, (ii) an additional retail showroom in Malaysia and (iii) two retail showrooms in Hong Kong; and
- c. An increase in entertainment expense by \$0.1 million.

### ***General and Administrative Expenses***

General and administrative expenses increased by 17.5% or \$0.2 million, from \$1.2 million in HY2011 to \$1.4 million in HY2012. This was mainly due to:

- a. An increase in staff welfare expense, utility costs, office rental expense and professional fees by \$0.1 million; and
- b. An increase in Directors' remuneration and provision for Directors' fees by \$0.1 million.

### ***Profit Before Tax***

Consequently of higher expenses and lower gross margin, despite a higher revenue, profit before tax decreased by 57.8% or \$0.6 million, from \$1.0 million in HY2011 to \$0.4 million in HY2012.

## **Review of Statements of Financial Position of the Group**

### ***Assets***

The Group's total assets decreased by \$1.0 million from \$26.9 million as at 31 December 2011 to \$25.9 million as at 30 June 2012. The decrease in total assets was mainly due to:

- a. Project work-in-progress which decreased by \$0.5 million; and
- b. Cash and bank balances which decreased by \$1.2 million.

The above is partly offset by the following:

- c. An increase in net carrying value of property, plant and equipment by \$0.2 million as \$0.4 million was incurred on renovation and refurbishment of the showrooms and offices in Singapore, Malaysia and Hong Kong, partly offset by depreciation charges of \$0.2 million;
- d. An increase in long-term prepayment by approximately \$0.1 million due to additional payment for a leasehold property in Batam, Indonesia for the purpose of holding events for customers and staff;
- e. An increase in inventories by \$0.2 million due mainly to stock-in-transit, which was received subsequent to HY2012, amounted to \$0.4 million for retail and projects stocks to be delivered to site after 30 June 2012; and
- f. An increase in trade and other receivables by \$0.2 million due mainly to an increase in advance payment to suppliers by \$0.2 million, an increase in deposits on rental of premises by \$0.5 million, partly offset by a decrease in trade receivables by \$0.5 million.

### ***Liabilities***

The Group's total liabilities decreased by \$1.1 million from \$13.8 million as at 31 December 2011 to \$12.7 million as at 30 June 2012. The decrease in total liabilities was due mainly to:

- a. A decrease in trade and other payables by \$0.5 million;
- b. A decrease in bills payable to banks by \$1.5 million;
- c. A decrease in finance lease liabilities by \$0.1 million due to repayment of finance leases;
- d. A decrease in the amounts due to directors by \$0.5 million due to repayment; and
- e. A decrease in tax payable by \$0.2 million.

The above is partly offset by:

- f. An increase in bank borrowings by \$1.4 million; and
- g. An increase in project work-in-progress of \$0.3 million.

### ***Equity attributable to equity holders of the Company***

Equity attributable to equity holders of the Company increased by \$0.1 million from \$13.1 million as at 31 December 2011 to \$13.2 million as at 30 June 2012. The Group's net asset value per share stood at 13.2 cents as at 30 June 2012 as compared to 13.1 cents as at 31 December 2011.

## **Review of Consolidated Statement of Cash Flows**

In HY2012, the Group's operating profit before working capital changes was \$0.6 million. Net cash used in working capital amounted to \$1.6 million. This was due mainly to an increase in inventories by \$0.2 million, an increase in receivables by \$0.2 million and a decrease in payables by \$2.0 million, partly offset by an increase in project work-in-progress by \$0.8 million. During HY2012, the Group paid income tax and interest of \$0.4 million. The net cash used in operating activities amounted to \$1.4 million.

Net cash used in investing activities of \$0.3 million was due mainly to purchase of office equipment and renovation of \$0.4 million, partly offset by proceeds from sale of a motor vehicle of \$0.1 million.

Net cash from financing activities of \$0.5 million was due mainly to drawdown of revolving short-term loan of \$2.0 million, partly offset by the repayment of amounts due to Directors of \$0.5 million, repayment of bank borrowings and finance leases of \$0.6 million and \$0.1 million respectively, and payment of dividend to Shareholders of \$0.3 million.

As a result of the above, cash and cash equivalents decreased by \$1.2 million, from \$6.4 million as at 1 January 2012 to \$5.2 million as at 30 June 2012.

9. [Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.](#)

No forecast or prospect statement has been previously disclosed to shareholders.

10. [A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.](#)

The Group will continue to focus on its core business, which is the sale of imported kitchen systems, kitchen appliances, wardrobe systems, household furniture and accessories for residential projects and for distribution and retail.

As previously announced on 27 October 2011, the Company has incorporated Kitchen Culture (Hong Kong) Limited for the purpose of expanding into the Hong Kong market. It has since leased an office and two retail showrooms in Hong Kong which are currently under renovation. Additionally, the Group will continue to explore other business opportunities with the objective to improve the financial performance of the Group.

Given the present economic outlook, the business conditions in Singapore and Malaysia will remain challenging and competitive for financial year ending 31 December 2012.

The Group's order book as at the date of this announcement is approximately \$50.0 million. Our products for these orders are expected to be delivered and installed in stages over the next three years, barring unforeseen circumstances.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended);

No.

(b)(i) Amount per share/rate %

Name of Dividend	
Dividend type	Not applicable
Dividend amount per ordinary share (cents)	Not applicable

(b)(ii) Previous corresponding period/rate %

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended for the financial period ended 30 June 2012.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(ii).

14. Use of Proceeds

The Board of Directors (“Board”) of the Company refers to the offer document dated 15 July 2011 (“Offer Document”) in relation to the Company’s initial public offering and listing of the Company’s shares on the Catalist and the announcement on the “Use of Proceeds from the Initial Public Offering of the Company’s Shares on the Catalist” dated 18 June 2012.

The Board wishes to inform its Shareholders that there is no change to the balance of the net proceeds of \$2,320,000 as announced on 18 June 2012.

The Company will continue to make periodic announcements on the use of the net proceeds as and when such proceeds have been materially disbursed.

15. Negative confirmation pursuant to Rule 705(5)

We, Lim Wee Li and Lim Han Li, being two Directors of the Company, do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the financial period 30 June 2012 to be false or misleading in any material aspect.

**On behalf of the Board of Directors**

Lim Wee Li  
Executive Chairman and CEO  
Date: 6 August 2012

Lim Han Li  
Executive Director